

1 ENGROSSED HOUSE
2 BILL NO. 1395

By: Dills, Vancuren, Lawson,
McEntire, Bush, Conley,
Fincher, Provenzano, Burns,
Hardin (David), Loring,
Caldwell (Trey), Phillips,
May, Johns, Brewer,
Nichols, Boatman,
Rosecrants, Cornwell,
Luttrell, West (Tammy),
Waldron, Ford, Manger,
Ranson, Kerbs, McDugle,
Sims, Fetgatter, Nollan,
Pae, Virgin, Hasenbeck,
Baker, Fugate, Stark,
Blancett, Humphrey,
Sterling, Munson, Boles,
Kiger, Hilbert and Sneed of
the House

11 and

12 Pemberton of the Senate

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14
15 An Act relating to school financial disclosures;
16 amending Section 5, Chapter 367, O.S.L. 2012, as last
17 amended by Section 1, Chapter 293, O.S.L. 2015 (70
18 O.S. Supp. 2018, Section 3-145.3), which relates to
19 powers and duties of the Statewide Virtual Charter
20 School Board; subjecting virtual charter school to
21 same financial reporting requirements as school
22 districts; authorizing financial, program or
23 compliance audits; requiring virtual charter school
24 to use the Oklahoma Cost Accounting System; requiring
governing body of virtual charter school be
responsible for policies; subjecting new members
appointed to governing body to same conflict of
interest mandates as school board members; requiring
compliance with instruction and continuing education
requirements; defining term; mandating disclosure of
financial details when school contracts with an
educational management organization; specifying
information to be disclosed; directing disclosure in

1 a public meeting of certain ownership position;
2 requiring teaching contract to be binding;
3 prohibiting new teaching contract during time of
4 original contract; providing an exception; suspending
5 teaching certificate for remainder of contract if
6 violation is found; providing for codification; and
7 declaring an emergency.

8 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

9 SECTION 1. AMENDATORY Section 5, Chapter 367, O.S.L.
10 2012, as last amended by Section 1, Chapter 293, O.S.L. 2015 (70
11 O.S. Supp. 2018, Section 3-145.3), is amended to read as follows:

12 Section 3-145.3 A. Subject to the requirements of the Oklahoma
13 Charter Schools Act, the Statewide Virtual Charter School Board
14 shall:

15 1. Provide oversight of the operations of statewide virtual
16 charter schools in this state;

17 2. Establish a procedure for accepting, approving and
18 disapproving statewide virtual charter school applications and a
19 process for renewal or revocation of approved charter school
20 contracts which minimally meet the procedures set forth in the
21 Oklahoma Charter Schools Act;

22 3. Make publicly available a list of supplemental online
23 courses which have been reviewed and certified by the Statewide
24 Virtual Charter School Board to ensure that the courses are high
quality options and are aligned with the subject matter standards

1 adopted by the State Board of Education pursuant to Section 11-103.6
2 of this title. The Statewide Virtual Charter School Board shall
3 give special emphasis on listing supplemental online courses in
4 science, technology, engineering and math (STEM), foreign language
5 and advanced placement courses. School districts shall not be
6 limited to selecting supplemental online courses that have been
7 reviewed and certified by the Statewide Virtual Charter School Board
8 and listed as provided for in this paragraph; and

9 4. In conjunction with the Office of Management and Enterprise
10 Services, negotiate and enter into contracts with supplemental
11 online course providers to offer a state rate price to school
12 districts for supplemental online courses that have been reviewed
13 and certified by the Statewide Virtual Charter School Board and
14 listed as provided for in paragraph 3 of this subsection.

15 B. Each statewide virtual charter school which has been
16 approved and sponsored by the Board or any virtual charter school
17 for which the Board has assumed sponsorship of as provided for in
18 Section 3-145.5 of this title shall be considered a statewide
19 virtual charter school and the geographic boundaries of each
20 statewide virtual charter school shall be the borders of the state.

21 C. Each statewide virtual charter school approved by the
22 Statewide Virtual Charter School Board shall be eligible to receive
23 federal funds generated by students enrolled in the charter school
24 for the applicable year. Each statewide virtual charter school

1 shall be considered a separate local education agency for purposes
2 of reporting and accountability.

3 D. As calculated as provided for in Section 3-142 of this
4 title, a statewide virtual charter school shall receive the State
5 Aid allocation and any other state-appropriated revenue generated by
6 students enrolled in the virtual charter school for the applicable
7 year, less up to five percent (5%) of the State Aid allocation,
8 which may be retained by the Statewide Virtual Charter School Board
9 for administrative expenses and to support the mission of the Board.
10 A statewide virtual charter school shall be eligible for any other
11 funding any other charter school is eligible for as provided for in
12 Section 3-142 of this title. Each statewide virtual charter school
13 shall be considered a separate local education agency for purposes
14 of reporting and accountability.

15 E. A virtual charter school shall be subject to the same
16 reporting requirements, financial audits, audit procedures and audit
17 requirements as a school district. The State Department of
18 Education or State Auditor and Inspector may conduct financial,
19 program or compliance audits. A virtual charter school shall use
20 the Oklahoma Cost Accounting System (OCAS) to report financial
21 transactions to the State Department of Education.

22 F. A virtual charter school governing body shall be responsible
23 for the policies that govern the operational decisions of the
24 virtual charter school. The governing body of a virtual charter

1 school shall be subject to the same conflict of interest
2 requirements as a member of a local school board including, but not
3 limited to, Sections 5-113 and 5-124 of this title. Members
4 appointed to the governing body of a virtual charter school after
5 July 1, 2019, shall be subject to the same instruction and
6 continuing education requirements as a member of a local school
7 board and pursuant to Section 5-110 of this title, complete twelve
8 (12) hours of instruction within fifteen (15) months of appointment
9 to the governing body, and pursuant to Section 5-110.1 of this
10 title, attend continuing education.

11 G. Students enrolled full-time in a statewide virtual charter
12 school sponsored by the Statewide Virtual Charter School Board shall
13 not be authorized to participate in any activities administered by
14 the Oklahoma Secondary Schools Activities Association. However, the
15 students may participate in intramural activities sponsored by a
16 statewide virtual charter school, an online provider for the charter
17 school or any other outside organization.

18 ~~F.~~ H. The decision of the Statewide Virtual Charter School
19 Board to deny, nonrenew or terminate the charter contract of a
20 statewide virtual charter school may be appealed to the State Board
21 of Education within thirty (30) days of the decision by the
22 Statewide Virtual Charter School Board. The State Board of
23 Education shall act on the appeal within sixty (60) days of receipt
24 of the request from the statewide virtual charter school applicant.

1 The State Board of Education may reverse the decision of the
2 Statewide Virtual Charter School Board or may remand the matter back
3 to the Statewide Virtual Charter School Board for further proceeding
4 as directed.

5 SECTION 2. NEW LAW A new section of law to be codified
6 in the Oklahoma Statutes as Section 5-200 of Title 70, unless there
7 is created a duplication in numbering, reads as follows:

8 A. As used in this section, "educational management
9 organization" means a for-profit or nonprofit organization that
10 receives public funds to provide administration and management
11 services for a charter school, statewide virtual charter school or
12 traditional public school.

13 B. A charter school that contracts with an educational
14 management organization shall use the Oklahoma Cost Accounting
15 System (OCAS) to report the total amount paid to an educational
16 management organization as well as itemized expenditure information
17 for the goods or services provided by the management organization as
18 defined by OCAS expenditure codes, including the total compensation
19 package of the superintendent including the base salary, insurance,
20 retirement and other fringe benefits.

21 C. Any owner of an educational management organization shall be
22 required to disclose to the governing board of the school in a
23 public meeting any ownership position in any business that contracts
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1 or proposes to contract with the same public school that the
2 educational management organization is managing.

3 D. Whenever any person shall enter into a contract with any
4 school district or public charter school in the state to teach in
5 such school district or public charter school the contract shall be
6 binding on the teacher and on the board of education until the
7 teacher legally has been discharged from the teaching position or
8 released by the board of education from the contract. Except as
9 provided in Section 5-106A of Title 70 of the Oklahoma Statutes,
10 until such teacher has been thus discharged or released, the teacher
11 shall not have authority to enter into a contract with any other
12 board of education in Oklahoma for the same time covered by the
13 original contract. If upon written complaint by the board of
14 education in a district any teacher is reported to have failed to
15 obey the terms of the contract previously made and to have entered
16 into a contract with another board of education, including a public
17 charter school board of education, without having been released from
18 the former contract except as provided in Section 5-106A of Title 70
19 of the Oklahoma Statutes, the teacher, upon being found to be
20 employed full-time for another public school, including a public
21 charter school in the state, at a hearing held before the State
22 Board of Education, shall have such teacher's certificate suspended
23 for the remainder of the term for which the contract was made.

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